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Response to Ofcom's Consultation on ADR in the Telecoms sector

Dear Ofcom,

BT Group welcomes the opportunity to respond to Ofcom's consultation on ADR in the telecoms sector. We acknowledge the importance of ensuring the ADR framework remains effective, fair, and accessible to all consumers. We appreciate Ofcom's efforts in reviewing existing procedures to enhance consumer protection while maintaining operational feasibility for service providers. BT Group values the chance to contribute our insights, supported by internal data and industry-wide evidence, to ensure that any changes balance the needs of consumers and the realities of service delivery.

BT are providing answers to Questions 1–7 of the consultation.

Question 1: Do you agree with our provisional analysis of whether our rules which facilitate access to ADR are meeting our objective?

BT Group agrees with Ofcom's provisional analysis that the current rules on facilitating access to Alternative Dispute Resolution (ADR) are largely meeting their objective. ADR is a crucial mechanism for consumer protection, allowing disputes to be resolved efficiently without litigation. Ofcom's impact assessment highlights that consumer awareness of ADR is fundamental to its effectiveness.

The research commissioned by Ofcom indicates that a significant majority of consumers (94%) have their complaints resolved within 6 weeks, with only 6% experiencing delays beyond this period. This suggests that the existing framework ensures timely resolution for most consumers. However, for those whose complaints remain unresolved, awareness of ADR and ease of access are key factors in ensuring positive outcomes. A consumer's ability to navigate the complaints process effectively is influenced by clear provider communication, access to support channels, and the ability to escalate disputes when necessary. We support ongoing initiatives to improve consumer awareness and engagement with ADR while maintaining an effective balance between resolution efficiency and provider accountability.

Question 2: Do you agree with our proposal to modify the GCs to reduce the timeframe for access to ADR to 6 weeks?

Whilst there are a small proportion of complaints that are resolved within the 6–8-week period, BT Group is comfortable to reduce the timeframe for referral to ADR from 8 weeks to 6, recognising that this could provide a more responsive resolution mechanism for some consumers. Ofcom's analysis indicates that a significant number of complaints that remain unresolved beyond 6 weeks are unlikely to be resolved before the current 8-week threshold. However, it is essential to acknowledge that unresolved cases often stem from complexities beyond the provider's control, including third-party delays (e.g., Openreach, planning permissions, or permit approvals).

Internal data from BT Group highlights that [REDACTED], with [REDACTED]. This aligns with Ofcom's broader industry findings, demonstrating that most providers effectively handle complaints within this period. However, in the remaining [REDACTED] of cases, systemic issues—such as infrastructure-related challenges or dependencies on local authorities—can cause delays.

To ensure fairness, Ofcom should provide clear guidance on how accountability will be distributed among broadband service suppliers, particularly where third-party issues delay resolution. An earlier ADR referral could unfairly place the burden on communications providers rather than addressing systemic inefficiencies elsewhere in the supply chain.

Question 3: Do you agree with the findings of our provisional impact assessment?

BT Group acknowledges Ofcom's impact assessment, which estimates that reducing the ADR timeframe to 6 weeks would increase industry-wide complaint handling costs by approximately £3.5 million per year. We agree that this is a fair estimation of the financial impact, as our own internal analysis estimates an additional cost of circa [REDACTED] if looking solely at the cost of complaints which might access ADR, relative to the internal costs of continuing to resolve cases after 6-weeks.

BT Group's internal analysis shows that only [REDACTED]. If the threshold were reduced to 6 weeks, this number would likely [REDACTED]. In broadband however, the impact is more pronounced, with [REDACTED]. A shift to 6 weeks would [REDACTED]. This rise in case volumes could also lead to longer processing times at the Communications Ombudsman, potentially delaying resolutions rather than improving consumer outcomes.

The broader telecoms industry has seen steady improvements in complaints handling. Ofcom's 2023 service quality report highlighted that broadband complaints per 100,000 customers have declined by 16% year-on-year, reflecting an industry-wide commitment to enhancing service resolution.

Question 4: Do you agree with our proposed implementation period?

BT Group appreciates Ofcom's proposal of a 6-month implementation period but believes this timeline is insufficient. Ofcom acknowledges that providers would need to make extensive changes, including updating internal guidelines, briefing complaints teams, revising ADR communications, and modifying IT systems.

Given the scale of these changes, BT Group proposes a 12-month implementation period. This would allow for structured adjustments to ensure compliance while minimising disruption to both providers and consumers. Additionally, a phased approach would provide an opportunity to assess the operational impact and make necessary refinements before full-scale implementation.

From a consumer perspective, it is crucial that changes to ADR access are accompanied by sufficient awareness campaigns and provider-led initiatives to ensure seamless transitions. Industry-wide coordination, including engagement with third-party service providers (such as Openreach), should be factored into the timeline to mitigate potential operational bottlenecks. A 12-month period would facilitate a smoother transition, ensuring that all stakeholders can align processes effectively while maintaining high service standards.

Question 5: Do you agree with our provisional assessment and proposal to re-approve both schemes based on the approval criteria set out in the Act?

BT Group agree with the provisional assessment and proposal to re-approve both ADR schemes based on the approval criteria set out in the act. The assessment provides a thorough review of the schemes performance which demonstrates their ongoing compliance with the statutory requirements including accessibility, independence, fairness, efficiency, transparency, effectiveness, accountability and non-discrimination. Whilst the schemes do meet the approval criteria, we acknowledge the minor improvements which have been proposed such as refining the decision-making guidelines and enhancing transparency. We support Ofcom's approach to working collaboratively with the schemes to implement the necessary refinements.

Question 6: Do you agree with our proposed changes to the decision-making principles?

BT Group broadly agree with the proposed changes to the decision-making principles, as they aim to enhance clarity, consistency, and effectiveness in the decision-making process in Alternative Dispute Resolution. The proposed revisions are reflective of the evolving landscape of resolving disputes whilst upholding the core principles of fairness, independence, and transparency.

The removal of “*Measured Performance and Official Approval*” from the guiding principles is appropriate, as these are sufficiently covered by other principles such as effectiveness, transparency, and accountability.

The updated language in strengthening evidence-based decision-making reinforces expectations that both parties must provide relevant evidence where available to assure a fair, balanced approach.

The clarification on use of precedent is helpful as it acknowledges past decisions and *usual* behaviours by providers and consumers may inform but not dictate outcomes. Doing so ensures each case is decided individually based on its own merits.

Overall, we support proposed reform to the compensation guidelines, we do however note that sums awarded for distress and inconvenience remain highly subjective. This subjectivity often results in consumers claiming higher amounts than would typically be awarded, which may not be recoverable in law. Therefore, whilst we acknowledge transparency in awards is beneficial, we would stress that ADR schemes align their approach with broader legal and industry standards to avoid expectations being inflated. Further guidance on the practical application of compensation policies across schemes would be beneficial to ensure that both consumers and providers have visibility into how these compensation decisions are made, further enhancing confidence in the system.

Question 7: Do you agree with our proposed changes to the KPIs including the proposed implementation period?

BT Group agrees with the proposed KPI changes and implementation period. The refinement of performance metrics align with consumer expectations and are achievable given current performance levels. The proposal to begin monitoring digital correspondence response times acknowledges the shift towards more digital communication and ensures timely engagement with consumers when using these channels.

Including consumer satisfaction reporting provides a means by which more meaningful insight into ADR experiences can be gathered to provide a clearer view of the effectiveness of ADR schemes whilst simultaneously identifying improvement areas.

Given that the ADR schemes are currently exceeding many of the current KPIs, we believe the three-month implementation period is proportionate and sufficient to accommodate any necessary adjustments.

Yours sincerely,



BT Group Regulatory Affairs